



Cabot Corporation
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United States

February 25, 2021

Via Overnight Mail, Electronic Mail and CDRS

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Re: *United States of America and Louisiana Department of Environmental Quality v.
Cabot Corporation*, Case # 6:13-cv-03095 Consent Decree

Dear Sir / Madam:

On behalf of Cabot Corporation, please accept this submission as initial notice of a potential *Force Majeure* event that may delay compliance with an obligation arising under the above-referenced Consent Decree at Cabot's Canal facility in Louisiana. This notice is made on a protective basis to comply with the initial notice requirement set forth in Paragraph 67 of the above-referenced Consent Decree; however, please be advised that Cabot is undertaking best efforts to ensure timely compliance despite the circumstances described herein. Should a delay



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in compliance prove unavoidable, Cabot will follow this notice with a more detailed written notice of *Force Majeure* claim in accordance with Paragraph 67 of the Consent Decree.

In order to meet the April 1, 2021 compliance date established in paragraphs 17 and 26 of the Consent Decree for the installation of air pollution control systems at the Canal Facility, Cabot has undertaken a program of construction, installation, integration and optimization activities at the facility commencing in September 2016 and continuing to date. As of the date of this submittal, equipment fabrication, engineering and construction is complete and remaining activities include equipment start-up, wet commissioning, shakedown activities and CEMS certification. Cabot's schedule has been tightly controlled, and has allowed for Cabot to effectively address an unforeseen event that occurred in January 2021. However, the recent extreme weather event has significantly impacted Cabot's scheduled startup and commissioning activities in a manner that is beyond Cabot's control.

On January 24th Cabot's energy partner, CLECO, lost a backup pump that supplies water to the main boiler that generates steam for their steam turbine and for which Cabot provides the flue gas to heat. CLECO's primary pump failed in December; thus the additional failure of CLECO's backup pump in January left CLECO with no way to supply water to the boiler and forced Cabot to shut down all operations. The pumps are specialized for this service and neither Cabot nor CLECO could find an available, like-kind replacement anywhere in the world, forcing CLECO to have the pumps rebuilt by the OEM with an expedited lead-time of 3 weeks.

As a result of the CLECO pump failure and in order to meet the April 1, 2021 compliance date for the installation of controls at the Canal facility pursuant to the Consent Decree, Cabot had been planning for a multiple-week plant shut down starting on February 8, 2021 to allow for integration of the new air pollution control system. With the production interruption caused by the CLECO boiler feedwater pump failures, Cabot and our contractor accelerated the turnaround forward by one week, starting on January 31, 2021. With this sudden schedule shift, Cabot and our contractors have expended additional manhours to maintain the schedule to meet the compliance date.

On February 14, 2021 unprecedented cold weather began to settle into the Southern US and forced Cabot to close the Canal facility for 2 full days as a result of road closures and mandatory stay-at-home orders issued in multiple Parishes across Louisiana. The closure



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required a complete cessation of plant turnaround activities. When the facility re-opened on February 17, 2021, Cabot discovered that the freeze damage to the site was extensive; repairs are still ongoing as of this date. The full turnaround team returned to the site on February 18, 2021 and wet commissioning of the air pollution control systems was delayed until February 24, 2021. As the site begins to bring processes back online we are discovering multiple breaks in lines. To date we have repaired over 150 pipe breaks as a result of the freezing weather. As a result of the freeze damage to the Canal facility, the adjusted air pollution control system integration schedule was further delayed by three days. While Cabot will proceed expeditiously with commissioning activities, and will use best efforts to complete all required integration procedures, some impacts of the delay may not be able to be overcome. Of particular note, CEMs certification testing (pursuant to Paragraphs 20 and 29 of the Consent Decree) is scheduled for March 8 and March 16, allowing very limited time for troubleshooting the system and retesting if necessary. In addition, it is possible that compliance with the new emission limits could be delayed, due to these impacts to the project schedule and the resultant delay in wet testing and startup of the equipment. In order to mitigate the potential for delay, Cabot has contracted with Teledyne Monitoring Labs to provide full-time support during startup and testing to ensure readiness of the equipment, monitoring systems, and plant personnel.

While Cabot remains optimistic that we will successfully commission and commence full operation of the air pollution control systems as of the April 1, 2021 compliance date, the unprecedented weather events and resulting site damage have significantly impacted the project schedule and have created a risk of delay beyond the compliance date. Of course, we will provide additional information as it becomes available, and in the meantime please do not hesitate to contact me at 617-342-6184 with any questions you may have.

Very truly yours,

A handwritten signature in black ink, appearing to read "Martin O'Neill", with a stylized flourish at the end.

Martin O'Neill
Senior Vice President – Safety, Health & Environment



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cc: Kellie Ortega, U.S. EPA (via electronic mail)
Jason Dunn, U.S. DOJ (via electronic mail)